

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11

Washington Place Indiana LLC
Washington Place Indiana 945 LLC
Washington Place Indiana 1073 LLC

Case No.
Case No.
Case No.

Debtors.
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**CONSOLIDATED DECLARATION
PURSUANT TO THE LOCAL BANKRUPTCY RULES**

David Goldwasser declares the following under penalties of perjury pursuant to 28 U.S.C. § 1746:

1. Prior to bankruptcy, and dating back to January 2021, my firm (FIA Capital Partners LLC) and I were engaged by Washington Place Indiana LLC, Washington Place Indiana 945 LLC and Washington Place Indiana 1073 LLC (collectively, the “Debtors”) to act as the Debtors’ restructuring officer for purposes of attempting to obtain a restructuring of a first mortgage lien held by RSS BBCMS 2017-CI_IN WPI, LLC (the “Lender”), encumbering all of the Debtors’ jointly owned commercial property.

2. While I believe the parties were close to achieving a negotiated restructuring, the Lender commenced a foreclosure action on November 11, 2021, and obtained an *ex parte* order appointing a Receiver on November 30, 2021. As a result, the Debtors have no choice but to file the instant Chapter 11 petitions in an effort to utilize the Bankruptcy Code to address the mortgage debt, other claims and issues, and preserve the *status quo*.

3. The Debtors have requested that I continue to serve as the Companies’ Chief Restructuring Officer. I specialize in business restructuring, bankruptcy, and litigation planning, including Chapter 11 reorganization, bankruptcy claims, tax liens, and rescue capital for

distressed commercial real estate. I have over 20 years of litigation and crisis management experience and have appeared on behalf of debtors in over forty bankruptcy cases in the Southern and Eastern Districts of New York.

4. I respectfully submit this Consolidated Declaration in accordance with the Local Bankruptcy Rule 1007-4 in support of the Debtors' respective voluntary Chapter 11 petitions. I anticipate that the Chapter 11 cases will be jointly administered, and ultimately substantively consolidated, given the common joint ownership of the Property (defined below), common creditors and the integrated management structure. Thus, I am submitting this Consolidated Declaration in support of all three Chapter 11 cases.

Background

5. The respective Debtors are the owners as tenants-in-common of adjoining two real properties located at 10105-10121 East Washington Blvd., and 10203-10263 East Washington Blvd. in Indianapolis, Indiana, comprising a shopping center known as Washington Plaza (collectively, the "Property").

6. The Property is operated as a retail shopping center containing nine (9) stores. More than two years ago, one of the anchor tenants at the Property (H.H. Gregg) went bankrupt and vacated the Property. It took more than two years to find a replacement tenant (beauty supply company), which signed a lease in 2020 for 17,000 square feet. The new rent, however, was lower than what H.H. Gregg had been paying. Moreover, the Debtors invested substantial sums for landlord improvements in order to obtain a replacement tenant. Thus, the loss of H.H. Gregg proved to be a significant financial hardship which the Debtors are still attempting to overcome.

7. In the meantime, other vacancies (attributable to Covid-19 and other factors) arose at the Property is not yet fully occupied. A copy of the current rent roll is annexed hereto as Exhibit “A”, reflecting monthly rents of \$47,618.42.

Capital Structure

8. The Property is subject to a mortgage in the original principal sum of \$3,750,000 (the “Mortgage”) (reduced to approximately \$3,435,000), first issued by UBS AG in 2016 and ultimately assigned to the Lender. The Mortgage went into default in 2019, and Covid-19 certainly did not help the Debtor’s chances to fill vacancies.

9. Also contributing to the Debtor’s mortgage defaults was the fact that on or about September 1, 2018, vandals caused damage to a portion of the Property’s HVAC system and roof, resulting in water damages and lost business claims alleged to be approximately \$2.7 million. The conditions have been remedied during the ensuing years. The Debtors various insurance claims, which are disputed and become the subject of pending litigation in the United States District Court for the Southern District of Indiana (Case No. 1:20 CV 2222). The Debtors are in the final stages of completing a settlement of their insurance claim based upon a final payment of \$875,000.

10. The insurer, Nationwide Mutual Insurance Company (“Nationwide”), made a preliminary payment of approximately \$172,400. The proposed settlement concerning the final payment was reached under the auspices of the Magistrate Judge in Indianapolis. The Debtors’ Schedules list various contractor claims which need to be resolved during the Chapter 11 cases as well.

Immediate Events Triggering the Chapter 11 Filings

11. The decision to seek Chapter 11 relief is a direct result of the recent commencement of foreclosure proceedings, and the Lender's decision to seek the *ex parte* appointment of a receiver. Because the Lender reacted to the impasse in negotiations with a foreclosure action, the Debtors were left with little choice but to respond by the instant Chapter 11 filings.

The Organizational Strategy

12. The Property was purchased in 2016 for the total sum of \$6.25 million as part of a 1031 tax exchange. If stabilized, the Property can support a refinancing at a level needed to address the Lender's mortgage debt, so long as the Debtors can reduce default interest charges, either through litigation or negotiation. The Debtors intend to reactivate restructuring discussions while pursuing efforts to complete the settlement of the insurance claims. The insurance proceeds can be devoted to address the claims of contractors following a reconciliation and objection process in bankruptcy.

Local Rule 1007-4 Disclosures

13. Pursuant to Local Rule 1007-4 (a)(v), no committee of creditors was formed prior to the filing of the respective Chapter 11 Petitions.

14. Pursuant to Local Rule 1007-2(a)(vi), a consolidated list of the respective Debtors' twenty largest creditors is included as part of each of schedules. Please note that the creditors are the same for each of the Debtors due to common ownership.

15. Pursuant to Local Rule 1007-2(a)(vii), the Property is subject to the mortgage debt held by the Lender as reflected above.

16. Pursuant to Local Rule 1007-2(a)(viii), the Debtors' consolidated assets and liabilities are set forth in the bankruptcy schedules. Again, each Debtor lists the same pool of assets and liabilities.

17. Pursuant to Local Rule 1007-2(a)(ix), the membership interests of each of the Debtors are held by various entities and persons as listed in the organization chart annexed hereto as Exhibit "B".

18. Pursuant to Local Rule 1007-2(a)(x), a Receiver was appointed in connection with the Foreclosure Action.

19. Pursuant to Local Rule 1007-2(a)(xi), the Property is scheduled with a projected stabilized value of \$4.0 million. The Property has a balance sheet value of \$6,335,171, and current "as is" value of approximately \$3.4 million. A copy of the Debtors' consolidated balance sheet is annexed hereto as Exhibit "C".

20. Pursuant to Local Rule 1007-2(a)(xii), the Debtors' books and records of operations are located at their business office in Brooklyn.

21. Pursuant to Local Rule 1007-2(a)(xiii), the Debtors are subject to (i) the pending foreclosure action instituted by the Lender in the Superior Court, Marion County, Indiana; (ii) the federal litigation involving the insurance claim against Nationwide; and (iii) a default judgment in the amount of \$778,839.61 entered against all three Debtors on November 24, 2021 in a breach of contract action commenced in the Circuit Court, Oakland County, Michigan.

22. Pursuant to Local Rule 1007-2(a)(xiv), I am the Chief Restructuring Officer for each of the Debtors. My company and I will be filing an application to approve my retention as CRO under the Jay Alix Protocols. The Debtors' members and managers do not receive a salary or other compensation.

Dated: New York, New York
December __, 2021



David Goldwasser
Chief Restructuring Officer

EXHIBIT A

Commercial Rent Roll

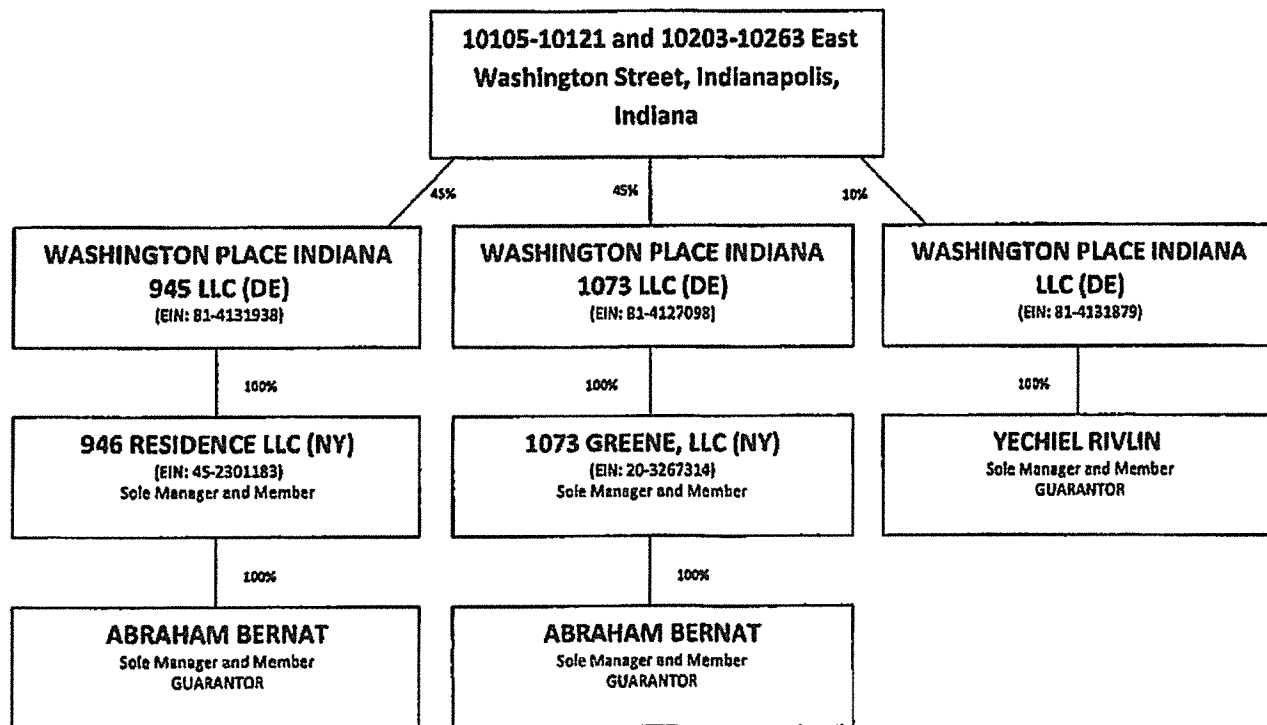
Property: Washington Place Indiana LLC
As of 12/07/21

Tenant Name	Unit	Sq Ft	Pro Rata Share	Lease Start	Lease End	Security Deposit	Last Rent Increase	Rent Charges	Annual Rent Sq Ft	Operation Charges	Annual Operation Sq Ft	Total Charges	Annual Charges Sq Ft
Washington Place Indiana LLC													
<VACANT>	1	1,200	1.17			0.00		0.00	0.00	0.00	0.00	0.00	0.00
Supreme Hair Depot Inc	2	25,078	24.45	3/1/20	11/30/25	0.00		17,000.00	8.13	4,000.00	1.91	21,000.00	10.05
Big Lots Stores, Inc. #5	3	48,400	47.19	11/1/11	1/31/23	0.00		17,141.67	4.25	0.00	0.00	17,141.67	4.25
Lumber Liquidators, Inc	4	5,895	5.75	5/5/15	9/30/25	0.00	10/1/2020	4,814.25	9.80	977.59	1.99	5,791.84	11.79
<VACANT>	5	3,200	3.12			0.00		0.00	0.00	0.00	0.00	0.00	0.00
<VACANT>	6	11,800	11.50			0.00		0.00	0.00	0.00	0.00	0.00	0.00
Martinez, Mishael	7	1,400	1.36	3/1/21	2/28/26	3,000.00		1,800.00	15.43	408.33	3.50	2,208.33	18.93
GNC Store	8	1,400	1.36	9/26/16	1/31/22	2,000.00	11/1/2020	2,400.00	20.57	0.00	0.00	2,400.00	20.57
AT&T Mobility	9	4,200	4.09	2/1/16	1/31/26	0.00	2/1/2021	4,462.50	12.75	974.55	2.78	5,437.05	15.53
Totals for Wash		102,573				5,000.00		47,618.42	5.57	6,360.47	0.74	53,978.89	6.31
Report Totals		102,573				5,000.00		47,618.42	5.57	6,360.47	0.74	53,978.89	6.31

Report Summary

Detail	Value
Total Possible Rent	47,618.42
Vacancy Rent	0.00
Occupied Unit Rent	47,618.42
# of Units	9
Vacant Units	3
Occupied Square Footage	86,373
Occupancy %	84.21%

EXHIBIT B



Washington Place Indiana, LLC
Balance Sheet
As of December 7, 2021

	Dec 7, 21
ASSETS	
Current Assets	
Checking/Savings	
Signature Bank	126,380.46
Wells Fargo	32,951.72
Wells Fargo 1738	253,428.66
Total Checking/Savings	412,760.84
Other Current Assets	
Escrow	16,110.85
Total Other Current Assets	16,110.85
Total Current Assets	428,871.69
Fixed Assets	
Building	6,335,170.72
Furniture and Equipment	42,072.00
Total Fixed Assets	6,377,242.72
Other Assets	
Mortgage Cost	164,741.23
Total Other Assets	164,741.23
TOTAL ASSETS	6,970,855.64
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	40,285.60
Total Accounts Payable	40,285.60
Credit Cards	
Amex0300	89.95
Total Credit Cards	89.95

EXHIBIT C

Washington Place Indiana, LLC
Balance Sheet
As of December 7, 2021

	Dec 7, 21
Other Current Liabilities	
Big Lots HVAC	3,999.23
Loan Payable	-7,800.00
Security Deposits	53,558.00
Unpaid Tenant Improvements	14,000.00
Total Other Current Liabilities	63,757.23
Total Current Liabilities	104,132.78
Long Term Liabilities	
Mortgage Payable	3,435,429.16
Total Long Term Liabilities	3,435,429.16
Total Liabilities	3,539,561.94
Equity	
Contributions	6,428,124.55
Distribution	-3,403,984.13
Members Equity	183,981.27
Net Income	223,172.01
Total Equity	3,431,293.70
TOTAL LIABILITIES & EQUITY	6,970,855.64
